[Mr. K. N. Ramasubba Aiyar].

actual expenditure, under a lakh less, than what we anticipated this time last year. The principal variation was an increase of Rs 1·73 lakhs brought in by the Forest Department by reason of larger sales of timber at the close of the year. We had a disappointment in our Customs revenue which showed a fall of a little over rupees three-fourths of a lakh. A falling off was foreseen in our original estimates; but it has turned out to be a little more than was expected. This need not however be regretted as the reduction in tariff values of cocoanuts, copra and cocoanut oil has had the effect of stimulating exports. There was also a fall in the realisation of the duty realised on exports of pepper. This was due to smaller production. The deficiency under Customs has, however, been made good by Land Revenue, which showed a satisfactory improvement in the percentage of collection to demand.

6. Our estimating on the expenditure side was fairly accurate. The **revenue surplus** in the year was Rs **27·89** lakhs as against the figure in the revised estimates, of Rs 24·07 lakhs. Under the capital section of the accounts, we realised Rs 6·01 lakhs from sale proceeds of land instead of only Rs 4·75 lakhs anticipated in the revised estimates of the year. There was little variation in the capital expenditure which stood at Rs ·69 of a lakh. The **balance** under Government Account which stood at Rs 103·37 lakhs at the commencement of the year, rose to Rs **136·58** lakhs at its close.

7. I beg to invite the attention of members to a *Statement of Expenditure against Grants* in the year, which appears at the end of the budget estimates. This statement, which has been attached to the budget estimates for the first time shows, *inter alia*, the actual expenditure against the final grant under each voted head. It will be seen that there was only one case of increase over final grants. This was under Demand III—Land Revenue where, against a final grant of Rs 8·24 lakhs the actual expenditure was Rs 8·38 lakhs. The excess is very small, being only 1·7 per cent of the grant and was due to payments of leave-salaries under the minor head 'Proverthy Cutcherries.'

REVISED ESTIMATES FOR 1103.

8. We expect that the **revenue** in the current year would amount to Rs **235·87** lakhs and the **expenditure** to Rs **218·66** lakhs. The revised estimate of revenue shows an increase of Rs 12·36 lakhs over the budgeted figure and the revised estimate of expenditure shows a saving of Rs 3·16 lakhs. Larger revenue

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receipts are expected under the following principal heads of revenue:—Excise-Abkari Rs 3·04 lakhs & Tobacco Rs 1·54 lakhs, Salt Rs 1·29 lakhs, Registration Rs 1·27 lakhs, Stamps Rs ·9 of a lakh, Forest Rs ·75 of a lakh and Land Revenue Rs ·58 of a lakh. There is an increase of Rs 2·83 lakhs under Interest receipts, owing to the purchase of Rs 25 lakhs of Government of India 4 per cent 1960-70 securities at an average rate of Bh. Rs 87-12-2 per cent. The discount represents additional interest till repayment of the loan which will accrue to us over and above the 4 per cent interest paid on the face value is credited under this head in the accounts in accordance with our practice. Our Railway receipts which were estimated at Rs 2 lakhs are now expected to stand only at Rs ·86 of a lakh, the fall being due to a reduction in earnings and, to a small extent, to increase in interest charges. The extent to which the new Virudanagar-Tenkasi loop line has contributed to reduce the income on our section of the line is under investigation. A portion of the increase of interest charges is due to the increased rate which the Secretary of State has charged on the amounts advanced by him for discharging debentures raised by him in England. The rate previously charged was only $3\frac{1}{2}$ per cent but the present rate is $5\frac{1}{2}$ per cent. The question of securing, if possible, a reduction in the rate is under correspondence.

9. On the expenditure side there is a large reduction under Education Rs 2·96 lakhs, ·64 of a lakh being under English School Education, ·83 of a lakh under Vernacular School Education and 1·19 lakhs under printing of the new Malayalam Readers for which 2·17 lakhs had been provided. A reduced expenditure of Rs ·77 of a lakh is expected under Forest and of Rs ·54 of a lakh under Stationery and Printing. The Public Works Department expects to spend Rs 2·35 lakhs in excess of the budgeted amount. This is mainly due to an increase of Rs 1·14 lakhs for the new road from Pallivasal to Neriamangalam which is being speeded up, three-fourths of a lakh for the Alleppey-Shertalai road and half a lakh for the new Women's College building.

10. It will be of interest to this House to know that a concession has been given to all menial servants who are in receipt of time-scales of pay, to count for increments half the substantive service in their posts rendered before the general revision in their departments, the increased pay accruing only from the current year. This will give the older men an immediate increase of pay which they can draw with retrospective effect from Karkatakam 1102. The increase in any particular department is not expected to be a high figure.

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[Mr. K. N. Ramasubba Aiyar.]

11. The current year is expected to leave us with a **revenue surplus** of Rs **17·21** lakhs. In the capital section, receipts from **sale proceeds** of lands are expected to yield Rs **5·2** lakhs against Rs. 5·5 lakhs estimated in the budget. We had provided originally a sum of Rs 21·82 lakhs for expenditure on capital schemes. Our expectations regarding the progress of the Chakkai-Thampanur Railway Extension and the Trivandrum Water Works Schemes, for which nearly Rs 20 lakhs had been provided in the year, are not likely to be fulfilled; and the total capital expenditure is now estimated to be only Rs 4·02 lakhs. The capital expenditure, it may be added, was intended to be found from our surpluses of previous years and not from any special borrowings. The necessary provision for these two schemes appears in the next year's budget. In the result, the current year is expected to leave us with a **closing balance** under Government Account, of Rs. **154·98** lakhs.

BUDGET ESTIMATES FOR 1104.

12. I now proceed to detail our budget estimates for the coming year. We have budgeted for a **revenue** of Rs **239·69** lakhs and an **expenditure** charged to revenue amounting to Rs **234·9** lakhs. Sale proceeds of lands are expected to bring in Rs 5 lakhs and the programme of **capital expenditure** is Rs **34·82** lakhs, nearly half of which is for expenditure we had intended to incur in the current year itself. In the result, we shall have a small **revenue surplus** of Rs **4·79** lakhs. There will be a net drawing from the balance at our credit, to the extent of Rs 25·03 lakhs on account of the proposed expenditure on capital schemes.

REVENUE.

13. Our principal heads of revenue are expected to yield a little over Rs 5 lakhs more in the next year than in the current year. It will be seen from the general abstract printed on page 2 of the budget estimates that of the budgeted revenue of Rs 239·69 lakhs the yield from the principal heads of revenue would amount to Rs 208·14 lakhs. The diagram for receipts shows that since 1089 there has been an increase of nearly 60 per cent in our revenue receipts, the expansion under the principal heads during this period being about 54 per cent. There is a marked increase under Customs revenue which has gone up from Rs 14·18 lakhs in 1089 to Rs 31·8 lakhs according to the Budget.

14. *Land Revenue.* The receipts are expected to stand at Rs 41·44 lakhs—nearly the same as in the current year. Land Revenue contributes nearly 20 per cent of the total receipts from

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